THE INFLUENCE OF GOVERNMENT OWNERSHIP ON FIRMS PERFORMANCE: A QUANTITATIVE STUDY ON JORDAN LISTED FIRMS

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Abstract

Lately, most Arab region countries have cultivated the new economic reformation which often linked with economic growth and its ability to enhance financial deepening. This study investigates the government ownership and its association with firm performance. The study used 103 public listed samples on Amman Stock Exchange from 2011-2015. The data measures the relationship of three levels of government ownership with a median point of 28% as well as full government ownership and six financial ratios as control variables to firm performance (ROA, ROE and EPS). Based on the multiple linear regression method with the use of SPSS package, four sets of different regression analysis have been conducted and found statistically mixed results when takes into consideration the year effect and level of government ownership. An insignificant relationship was found between government ownership concentration (breaking up the level of government ownership) and firm performance (ROA, ROE and EPS) when year effect was taken into consideration. However, when year effect was ignored, significant results found for EPS only and conclude low government ownership negatively related with firm performance.

When full government ownership was used without breaking up the level of government ownership, the statistical result is positively linked with firm performance. The ROE is positively related at 5% significant level when its R-Square is 16.9%. A Similar finding was found when the year effect was ignored. It also found that control variables like long term debt to total assets and age are consistently significant at 1% with all three dependent variables. Meaning, the longer the firm has been established the better the financial performance of the firm. On the other hand, higher level government ownership may help to boost the firm performance through the government interference (Wasta).

Keywords: government ownership, firm performance, ‘wasta’.

ABSTRAK

Sejak kebelakangan ini, negara-negara arab memasuki era reformasi ekonomi baru yang sering dikaitkan dengan pencapaian ekonomi dan kebolehan mengecapi kewangan yang mendalam. Kajian ini bertujuan mengkaji hubungan pegangan saham kerajaan dalam syarikat awam dan prestasi syarikat tersebut. Kajian ini mengambil-kira 103 sampel syarikat yang tersenarai di Bursa Saham Amman (Jordan) dari 2011-2015. Data ini digunakan untuk mengkaji kaitan pegangan saham kerajaan yang di pecahkan kepada tiga takat pegangan melalui nisbah 28% sebagai 'median point'dan tanpa dipecahkan iaitu pegangan penuh saham kerajaan dalam syarikat tersebut bersama enam nisbah kewangan yang berfungsi sebagai 'control variables' untuk menilai prestasi syarikat yang dinilai oleh nisbah 'ROA, ROE dan EPS'. Kajian ini juga menggunakan kaedah 'Multiple Linear Regression' dengan bantuan SPSS. Keputusan kajian ini telah menyumbang kepada empat analisa 'regression'yang berlainan. Keputusan ini juga mengambil-kira impak tahunan dan kesan berlainan takat pegangan saham kerajaan dalam syarikat awam.

Kajian ini mendapati, hubungan antara berbagai takat saham syarikat kerajaan dengan prastasi syarikat masih dinilakan terlalu kecil walaupun impak tahunan tidak diambil-kira. Keputusan demikian menyimpul bahawa pegangan saham kerajaan yang rendah dalam syarikat awam menyumbang kepada hubungan negative kepada prestasi kewangan syarikat. Walaubagaimanapun, keputusan positif didapati jika pegangan saham kerajaan penuh diuji. Keputusan positif ini memberikan nilai nisbah ROE 5% 'significant' bila R-Square nya adalah 16.9%. Keputusan ini masih selari jika impak tahunan tidak diambil-kira. Keputusan kajian ini dari sudut 'control variables' seperti nisbah kewangan 'long term debt to total assets' dan nisbah 'age' adalah selari dengan 'dependent variables'. Keputusan ini menyimpulkan bahawa lebih lama usia syarikat berurusan dalam perniagaan lebih hebat prestasi kewangan syarikat. Manakala dari sudut yang lain jika pegangan saham kerajaan dalam syarikat awam adalah tinggi akan membrangsangkan prestasi syarikat sekiranya ada penglibatan kerajaan yang dikaitkan dengan (Wasta).

keywords: pegangan saham kerajaan, prestasi kewangan syarikat, 'wasta'.

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List of Abbreviations

ROA Return on Assets

ROE Return on Equity

EPS Earnings Per Share

PP Plot Probability plot or percent plot or P value plot

Anova Analysis of variance

R square Coefficinet of Determination

CHAPTER ONE

INTRODUCTION

In the recent decade Middle Eastern countries are driving to develop their economy by cultivating openness and getting more outside capital rather than being too dependable on its own government funding. This intention is consistent with Jordanian firms that expand their business operation and activities by privatizing some of their government owned firms. The Jordanian government privatized their program since early nineties. It is an on-going program that supports the participation of the private sector in economic growth. The Jordanian government privatization action plan was adopted as part of the economic package. This plan was expected to help to adjust the economy especially since the aftermath of economic crisis in early nineties. Since then the government adopt an openness policy of its market to the world. Among the popular one is the partnership with the European Union (EU) and gaining entry into Word Trade Organization (WTO). The impact of privatization in Jordan is similar with other developing countries. The Amman Stock Exchange websites has published the survey on the privatization in Jordan and concluded different views for privatised and non-privatised agencies. The privatised firms revealed it's efficient in its administrative and employment policies, its ability to earn higher return and better job opportunities. However, the non-privatised firm's revealed its inefficiencies in administrative and employment policies, issue of misuse of public funds, high level of owing and double standards in

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APPENDICES

Figure 4a
ROA Normal distribution of Residual

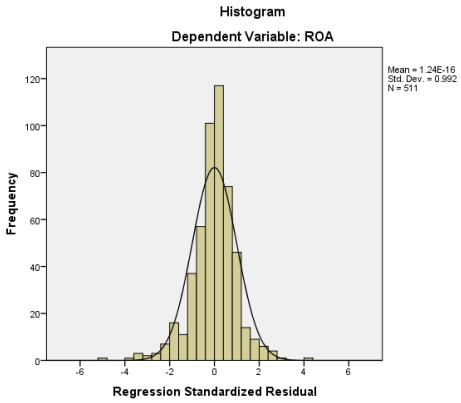

Figure 4
ROE Normal distribution of Residual

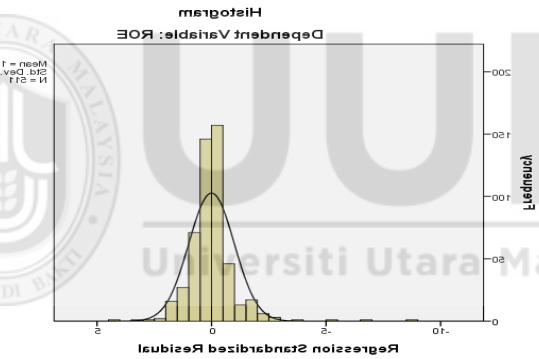

Figure 5
EPS Normal distribution of Residual

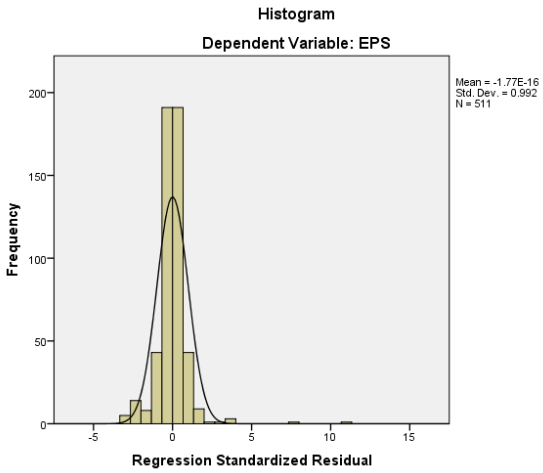

Figure 5a
PP Plot for ROA

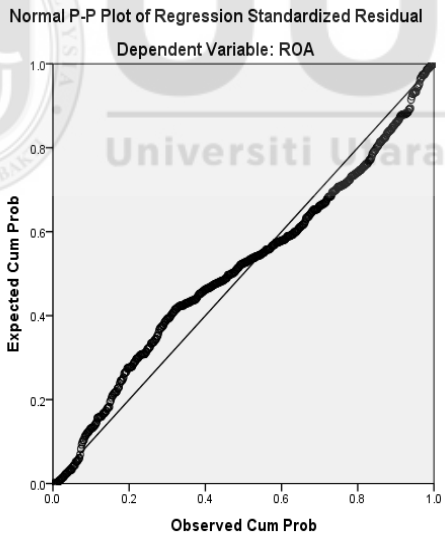

Figure 5b
PP Plot for ROE

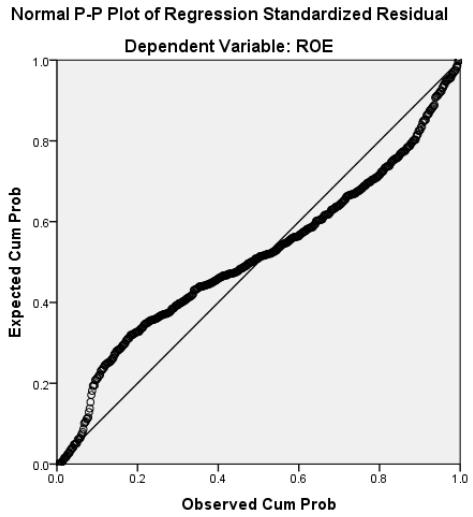

Figure 5c:
PP Plot for EPS

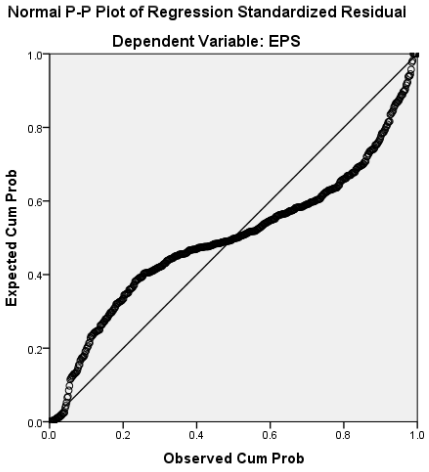

Figure 6a
Scatter Plot for ROA

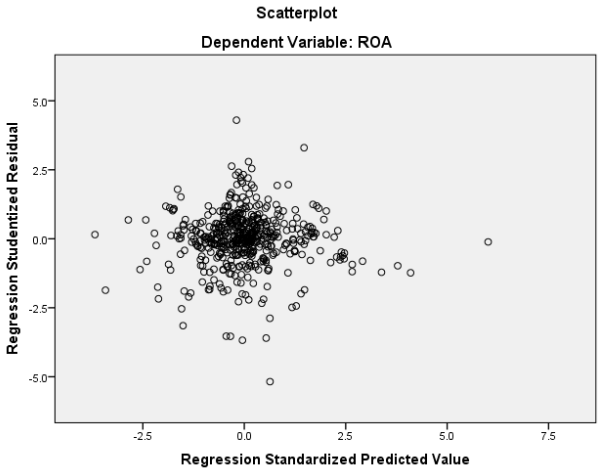

Figure 6b
Scatter Plot for ROE

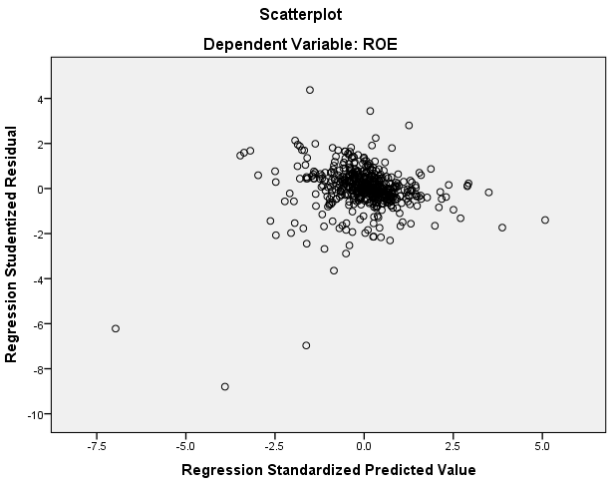

Figure 6c
Scatter Plot for EPS

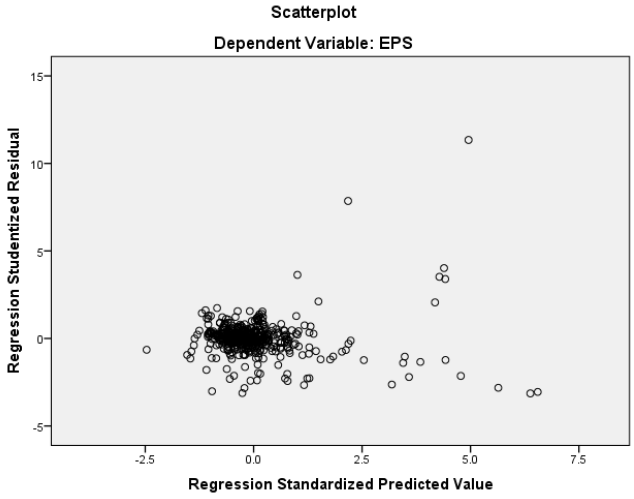

Figure 7a

R Square for ROA. Regression analysis, government ownership and year effect

1	2.	R Square	Adjusted R Square	Std. Error of the Estimate
1	.333[a]	.111	.088	7.18137917

Figure 7b

Anova for ROA.

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3193.710	13	245.670	4.763	.000[b]
	Residual	25633.957	497	51.577		
	Total	28827.666	510			

a. Dependent Variable: ROA

b. Predictors: (Constant), Yr2015, Capital Exp, GO_Low, Long Term Debt Total Asset , Market to Book Value, Current Ratio, Yr2013, Age , GO_Medium, Yr2012, Yr2014, Total Assets, GO_High

Figure 7c

ROA, regression analysis, independent variables, government ownership and year effect

Coefficients[a]					
	Unstandardized Coefficients		Standardized Coefficients		
Model	B	Std. Error	Beta	t	Sig.
1 (Constant)	-.602	1.129		-.533	.594
Long Term Debt Total Asset	-.146	.040	-.159	-3.623	.000
Total Assets	.000	.001	.015	.271	.787
Market to Book Value	-.515	.269	-.083	-1.917	.056
Capital Exp	.147	.063	.132	2.352	.019
Age	.060	.021	.138	2.898	.004
Current Ratio	.255	.119	.093	2.136	.033
GO_Low	-.077	.050	-.090	-1.547	.122
GO_Medium	-.027	.028	-.052	-.957	.339
GO_High	-.001	.014	-.006	-.103	.918
Yr2012	2.029	1.011	.108	2.008	.045
Yr2013	1.872	1.008	.100	1.856	.064
Yr2014	1.914	1.006	.102	1.903	.058
Yr2015	.297	1.008	.016	.294	.769

a. Dependent Variable: ROA

Figure 8a:
R Square for ROE. Regression Analysis, government ownership and year effect

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.446[a]	.199	.178	15.481178

a. Predictors: (Constant), Yr2015, Capital Exp, GO_Low, Long Term Debt Total Asset , Market to Book Value, Current Ratio, Yr2013, Age , GO_Medium, Yr2012, Yr2014, Total Assets, GO_High

Figure 8b
Anova for ROE

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	29503.623	13	2269.509	9.469	.000[b]
	Residual	119114.436	497	239.667		
	Total	148618.059	510			

a. Dependent Variable: ROE

b. Predictors: (Constant), Yr2015, Capital Exp, GO_Low, Long Term Debt Total Asset , Market to Book Value, Current Ratio, Yr2013, Age , GO_Medium Yr2012, Yr2014, Total Assets, GO_High

Figure 8c

ROE, regression analysis, independent variables, government ownership and year effect

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.009	2.434		.414	.679
	Long Term Debt Total Asset	-.450	.087	-.216	-5.193	.000
	Total Assets	.004	.003	.076	1.413	.158
	Market to Book Value	-3.660	.579	-.261	-6.317	.000
	Capital Exp	.367	.135	.145	2.720	.007
	Age	.105	.044	.107	2.366	.018
	Current Ratio	.438	.257	.070	1.701	.090
	GO_Low	-.145	.108	-.074	-1.348	.178
	GO_Medium	.000	.060	.000	-.007	.995
	GO_High	.047	.029	.090	1.600	.110
	Yr2012	3.563	2.178	.083	1.636	.103
	Yr2013	2.168	2.173	.051	.998	.319
	Yr2014	3.868	2.168	.091	1.784	.075
	Yr2015	-.921	2.173	-.022	-.424	.672

a. Dependent Variable: ROE

Figure 9a

R Square for EPS. Regression analysis, government ownership and year effect

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.518[a]	.268	.249	.36417303

a. Predictors: (Constant), Yr2015, Capital Exp, GO_Low, Long Term Debt Total Asset , Market to Book Value, Current Ratio, Yr2013, Age , GO_Medium, Yr2012, Yr2014, Total Assets, GO_High

Figure 9b

Anova for EPS

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	24.115	13	1.855	13.987	.000[b]
	Residual	65.913	497	.133		
	Total	90.028	510			

a. Dependent Variable: EPS

b. Predictors: (Constant), Yr2015, Capital Exp, GO_Low, Long Term Debt Total Asset , Market to Book Value, Current Ratio, Yr2013, Age , GO_Medium, Yr2012, Yr2014, Total Assets, GO_High

Figure 9c

EPS, regression analysis, independent variables, government ownership and year effect

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.045	.057		-.787	.432
	Long Term Debt Total Asset	-.008	.002	-.154	-3.866	.000
	Total Assets	.000	.000	.336	6.567	.000
	Market to Book Value	.019	.014	.056	1.412	.159
	Capital Exp	.003	.003	.041	.796	.426
	Age	.004	.001	.170	3.918	.000
	Current Ratio	.018	.006	.120	3.029	.003
	GO_Low	-.007	.003	-.147	-2.778	.006
	GO_Medium	-.002	.001	-.077	-1.563	.119
	GO_High	-.001	.001	-.109	-2.037	.042
	Yr2012	.064	.051	.061	1.246	.213
	Yr2013	.034	.051	.033	.672	.502
	Yr2014	.032	.051	.030	.623	.533
	Yr2015	.004	.051	.004	.073	.942

a. Dependent Variable: EPS

Figure 10a
R Square for ROA. Regression analysis, government ownership and without year effect

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.312[a]	.097	.081	7.20807921

a. Predictors: (Constant), GO_High, Current Ratio, Market to Book Value, Total Assets, Long Term Debt Total Asset , GO_Medium, Age , Capital Exp, GO_Low

Figure 10b
Anova for ROA

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2797.507	9	310.834	5.983	.000[b]
	Residual	26030.159	501	51.956		
	Total	28827.666	510			

a. Dependent Variable: ROA

b. Predictors: (Constant), GO_High, Current Ratio, Market to Book Value, Total Assets, Long Term Debt Total Asset , GO_Medium, Age , Capital Exp, GO_Low

Figure 10c

ROA, regression analysis, independent variables, government ownership low, medium and high without year effect

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.645	.951		.678	.498
	Long Term Debt Total Asset	-.148	.040	-.161	-3.663	.000
	Total Assets	.000	.001	.015	.264	.792
	Market to Book Value	-.561	.269	-.091	-2.090	.037
	Capital Exp	.152	.063	.136	2.425	.016
	Age	.060	.021	.140	2.939	.003
	Current Ratio	.253	.120	.092	2.110	.035
	GO_Low	-.076	.050	-.088	-1.515	.130
	GO_Medium	-.025	.028	-.049	-.898	.370
	GO_High	-.001	.014	-.006	-.106	.915

a. Dependent Variable: ROA

Figure 11a
R Square for ROE. Regression analysis, government ownership and year effect

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.431[a]	.186	.171	15.538455

a. Predictors: (Constant), GO_High, Current Ratio, Market to Book Value, Total Assets, Long Term Debt Total Asset , GO_Medium, Age , Capital Exp, GO_Low

Figure 11b
Anova for ROE

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	27654.817	9	3072.757	12.727	.000[b]
	Residual	120963.242	501	241.444		
	Total	148618.059	510			

a. Dependent Variable: ROE

b. Predictors: (Constant), GO_High, Current Ratio, Market to Book Value, Total Assets, Long Term Debt Total Asset , GO_Medium, Age , Capital Exp, GO_Low

Figure 11c

ROE, regression analysis, independent variables, government ownership low, medium and high without year effect

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.826	2.050		1.378	.169
	Long Term Debt Total Asset	-.454	.087	-.218	-5.223	.000
	Total Assets	.004	.003	.076	1.411	.159
	Market to Book Value	-3.760	.579	-.268	-6.495	.000
	Capital Exp	.377	.135	.149	2.789	.005
	Age	.104	.044	.107	2.353	.019
	Current Ratio	.438	.258	.070	1.698	.090
	GO_Low	-.142	.108	-.073	-1.312	.190
	GO_Medium	.002	.060	.002	.035	.972
	GO_High	.047	.029	.091	1.619	.106

a. Dependent Variable: ROE

Figure 12a
R Square for EPS. Regression analysis, government ownership and year effect

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.515[a]	.265	.252	.36346709

a. Predictors: (Constant), GO_High, Current Ratio, Market to Book Value, Total Assets, Long Term Debt Total Asset , GO_Medium, Age , Capital Exp, GO_Low

Figure 12b
Anova for EPS

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	23.842	9	2.649	20.052	.000[b]
	Residual	66.186	501	.132		
	Total	90.028	510			

a. Dependent Variable: EPS

b. Predictors: (Constant), GO_High, Current Ratio, Market to Book Value, Total Assets, Long Term Debt Total Asset , GO_Medium, Age , Capital Exp, GO_Low

Figure 12c

EPS, regression analysis, independent variables, government ownership low, medium and high without year effect

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-.017	.048		-.349	.728
	Long Term Debt Total Asset	-.008	.002	-.155	-3.901	.000
	Total Assets	.000	.000	.335	6.559	.000
	Market to Book Value	.018	.014	.052	1.322	.187
	Capital Exp	.003	.003	.044	.867	.386
	Age	.004	.001	.170	3.935	.000
	Current Ratio	.018	.006	.119	3.027	.003
	GO_Low	-.007	.003	-.147	-2.786	.006
	GO_Medium	-.002	.001	-.076	-1.542	.124
	GO_High	-.001	.001	-.109	-2.041	.042

a. Dependent Variable: EPS

Figure 13a
R Square for ROA. Regression analysis, government ownership (all) without year effect.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.303[a]	.092	.079	7.21539704

a. Predictors: (Constant), Total Assets, Long Term Debt Total Asset , Market to Book Value, Current Ratio, Goverment Ownership, Age , Capital Exp

Figure 13b
Anova for ROA

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2640.503	7	377.215	7.245	.000[b]
	Residual	26187.163	503	52.062		
	Total	28827.666	510			

a. Dependent Variable: ROA

b. Predictors: (Constant), Total Assets, Long Term Debt Total Asset , Market to Book Value, Current Ratio, Goverment Ownership, Age , Capital Exp

Figure 13c
ROA, regression analysis, independent variables, government ownership (all) without year effect

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-.371	.763		-.487	.627
	Goverment Ownership	.008	.012	.030	.671	.503
	Long Term Debt Total Asset	-.146	.040	-.159	-3.609	.000
	Current Ratio	.245	.120	.089	2.047	.041
	Market to Book Value	-.558	.268	-.090	-2.082	.038
	Capital Exp	.140	.062	.125	2.240	.026
	Age	.063	.020	.146	3.077	.002
	Total Assets	.001	.001	.023	.410	.682

a. Dependent Variable: ROA

Figure 14a

R Square for ROE. Regression analysis, government ownership without year effect

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.425[a]	.180	.169	15.562154

a. Predictors: (Constant), Total Assets, Long Term Debt Total Asset , Market to Book Value, Current Ratio, Goverment Ownership, Age , Capital Exp

Figure 14b

Anova for ROE

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	26801.206	7	3828.744	15.809	.000[b]
	Residual	121816.853	503	242.181		
	Total	148618.059	510			

a. Dependent Variable: ROE

b. Predictors: (Constant), Total Assets, Long Term Debt Total Asset , Market to Book Value, Current Ratio, Goverment Ownership, Age , Capital Exp

Figure 14c

ROE, regression analysis, independent variables, government ownership (all) without year effect.

Coefficients[a]						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	.385	1.646		.234	.815
	Goverment Ownership	.074	.027	.116	2.738	.006
	Long Term Debt	-.450	.087	-.216	-5.165	.000
	Total Asset					
	Current Ratio	.421	.258	.068	1.631	.104
	Market to Book Value	-3.771	.578	-.269	-6.519	.000
	Capital Exp	.345	.135	.136	2.567	.011
	Age	.109	.044	.111	2.470	.014
	Total Assets	.005	.003	.084	1.563	.119

a. Dependent Variable: ROE

Figure 15a
R Square for EPS. Regression analysis, government ownership and year effect

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.505[a]	.255	.244	.36522170

a. Predictors: (Constant), Total Assets, Long Term Debt Total Asset , Market to Book Value, Current Ratio, Goverment Ownership, Age , Capital Exp

Figure 15b
Anova for EPS

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	22.934	7	3.276	24.563	.000[b]
	Residual	67.094	503	.133		
	Total	90.028	510			

a. Dependent Variable: EPS

b. Predictors: (Constant), Total Assets, Long Term Debt Total Asset , Market to Book Value, Current Ratio, Goverment Ownership, Age , Capital Exp

Figure 15c
EPS, regression analysis, independent variables, government ownership (all) without year effect.

Coefficients[a]						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	-.084	.039		-2.172	.030
	Goverment Ownership	-.001	.001	-.042	-1.049	.295
	Long Term Debt Total Asset	-.008	.002	-.152	-3.814	.000
	Current Ratio	.018	.006	.118	2.973	.003
	Market to Book Value	.017	.014	.050	1.283	.200
	Capital Exp	.002	.003	.028	.555	.579
	Age	.004	.001	.173	4.028	.000
	Total Assets	.000	.000	.345	6.760	.000
a. Dependent Variable: EPS						

Figure 16a
R Square for ROA. Regression analysis, government ownership (all) with year effect

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.324[a]	.105	.085	7.19023400
a. Predictors: (Constant), Total Assets, Yr2015, Long Term Debt Total Asset , Market to Book Value, Current Ratio, Goverment Ownership, Yr2012, Yr2013, Age , Yr2014, Capital Exp				

Figure 16b
Anova for ROA

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3029.633	11	275.421	5.327	.000[b]
	Residual	25798.033	499	51.699		
	Total	28827.666	510			

a. Dependent Variable: ROA

b. Predictors: (Constant), Total Assets, Yr2015, Long Term Debt Total Asset , Market to Book Value, Current Ratio, Goverment Ownership, Yr2012, Yr2013, Age , Yr2014, Capital Exp

Figure 16c

ROA, regression analysis, independent variables, government ownership (all) with year effect.

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.621	.989		-1.639	.102
	Goverment Ownership	.009	.012	.031	.697	.486
	Long Term Debt Total Asset	-.144	.040	-.156	-3.569	.000
	Current Ratio	.247	.119	.090	2.067	.039
	Market to Book Value	-.511	.268	-.083	-1.902	.058
	Capital Exp	.135	.062	.121	2.162	.031
	Age	.062	.020	.144	3.045	.002
	Yr2012	2.010	1.011	.107	1.987	.047
	Yr2013	1.835	1.009	.098	1.820	.069
	Yr2014	1.855	1.007	.099	1.843	.066
	Yr2015	.250	1.009	.013	.248	.804
	Total Assets	.001	.001	.024	.422	.673

a. Dependent Variable: ROA

Figure 17a
R Square for ROE. Regression analysis, government ownership (all) with year effect

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.439[a]	.193	.175	15.505418

a. Predictors: (Constant), Total Assets, Yr2015, Long Term Debt Total Asset , Market to Book Value, Current Ratio, Goverment Ownership, Yr2012, Yr2013, Age , Yr2014, Capital Exp

Figure 17b
Anova for ROE

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	28649.483	11	2604.498	10.833	.000[b]
	Residual	119968.576	499	240.418		
	Total	148618.059	510			

a. Dependent Variable: ROE

b. Predictors: (Constant), Total Assets, Yr2015, Long Term Debt Total Asset , Market to Book Value, Current Ratio, Goverment Ownership, Yr2012, Yr2013, Age , Yr2014, Capital Exp

Figure 17c

ROE, regression analysis, independent variables, government ownership (all) with year effect.

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.435	2.133		-.673	.502
	Goverment Ownership	.074	.027	.116	2.750	.006
	Long Term Debt Total Asset	-.446	.087	-.214	-5.138	.000
	Current Ratio	.420	.257	.067	1.630	.104
	Market to Book Value	-3.668	.579	-.262	-6.334	.000
	Capital Exp	.334	.134	.132	2.491	.013
	Age	.109	.044	.112	2.487	.013
	Yr2012	3.550	2.181	.083	1.628	.104
	Yr2013	2.098	2.175	.049	.964	.335
	Yr2014	3.763	2.171	.089	1.734	.084
	Yr2015	-1.022	2.176	-.024	-.470	.639
	Total Assets	.005	.003	.084	1.570	.117

a. Dependent Variable: ROE

Figure 18a
R Square for EPS. Regression analysis, government ownership (all) with year effect

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.508[a]	.258	.241	.36592845

a. Predictors: (Constant), Total Assets, Yr2015, Long Term Debt Total Asset , Market to Book Value, Current Ratio, Goverment Ownership, Yr2012, Yr2013, Age , Yr2014, Capital Exp

Figure 18b
Anova for EPS

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	23.210	11	2.110	15.758	.000[b]
	Residual	66.818	499	.134		
	Total	90.028	510			

a. Dependent Variable: EPS

b. Predictors: (Constant), Total Assets, Yr2015, Long Term Debt Total Asset , Market to Book Value, Current Ratio, Goverment Ownership, Yr2012, Yr2013, Age , Yr2014, Capital Exp

Figure 18c

EPS, regression analysis, independent variables, government ownership (all) with year effect.

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.111	.050		-2.202	.028
	Goverment Ownership	-.001	.001	-.043	-1.047	.296
	Long Term Debt Total Asset	-.008	.002	-.151	-3.779	.000
	Current Ratio	.018	.006	.118	2.973	.003
	Market to Book Value	.019	.014	.055	1.380	.168
	Capital Exp	.002	.003	.025	.483	.630
	Age	.004	.001	.173	4.019	.000
	Yr2012	.063	.051	.060	1.227	.220
	Yr2013	.033	.051	.032	.649	.516
	Yr2014	.027	.051	.026	.524	.601
	Yr2015	.001	.051	.001	.019	.985
	Total Assets	.000	.000	.347	6.771	.000

a. Dependent Variable: EPS

Figure 10

Jordan Economy Data from 2012-2015

Economic variables	2012	2013	2014	2015
Economic Growth (GDP, annual variation in %)	2.7	2.8	3.1	2.4
Industrial Production (annual variation in %)	0.2	1.6	1.7	0.9
Unemployment rate	12.2	12.6	11.9	13.1
Public debt (% of GDP)	80.2	86.7	89.0	93.4
Inflation rate (CPI, annual variation in %)	4.5	4.8	2.9	-0.9
Export (USD Billion)	7.9	7.9	8.4	7.8
External Debt (% of GDP)	59.7	69	67.8	68.6

Source from World Economic Data 2016